

Inflation Protected Bond Fund

Investor A: BPRAX • Investor C: BPRCX • Institutional: BPRIX

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Fund Highlights

- **High-Quality Inflation Protection:** Treasury Inflation-Protected Securities (TIPS) can offer a hedge against inflation through high-quality, government-issued securities
- **A Distinct Portfolio Diversifier:** TIPS demonstrate low correlation to other fixed income asset classes, making them ideal diversifiers for most portfolios
- **Active Management Expertise:** The team creates a portfolio of TIPS across varying maturities, carefully determining proper maturity weightings and yield-curve positioning

% Average Annual Total Returns (9/30/12)¹

Without Sales Charge	1 Year	3 Years	5 Years	10 Years	Inception
Investor A	8.42	8.40	7.76	—	6.87
Investor C	7.62	7.60	6.96	—	6.15
Institutional	8.76	8.72	8.06	—	7.21
With Sales Charge	1 Year	3 Years	5 Years	10 Years	Inception
Investor A	4.13	6.93	6.88	—	6.34
Investor C	6.62	7.60	6.96	—	6.15
Lipper Avg. ²	8.09	8.39	6.75	—	—
Morningstar Avg.	8.08	8.33	6.75	—	—
Barclays Global Real: US TIPS ³	9.10	9.29	7.93	—	—

% Calendar Year Returns (Fund Performance Without Sales Charges)¹

	2007	2008	2009	2010	2011	YTD	3Q12
Investor A	11.83	0.23	10.15	5.82	11.47	5.81	1.95
Investor C	10.93	-0.55	9.21	5.20	10.68	5.23	1.70
Institutional	12.19	0.42	10.42	6.23	11.88	6.01	2.01
Lipper Avg. ²	10.09	-4.05	10.79	5.93	11.08	5.74	2.12
Morningstar Avg.	9.86	-4.08	10.88	5.94	10.93	5.74	2.08
Barclays Global Real: US TIPS ³	11.64	-2.35	11.41	6.31	13.56	6.25	2.12

Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to www.blackrock.com for current month-end performance. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

The share classes have different sales charges, ongoing account maintenance and distribution fees and other features. Average annual total returns with sales charge reflect the deduction of current maximum initial sales charge of 4% for Investor A shares and applicable contingent deferred sales charges (CDSC) for Investor C shares. The maximum CDSC of 1% for Investor C shares is reduced to 0% after 1 year.

Minimum initial investment for Institutional shares is \$2 million. Institutional shares also are available to clients of registered investment advisors with \$250,000 invested in the fund, and offered to participants in various wrap fee programs and other sponsored arrangements at various minimums.

Distributions (Dollar/Share)

	2009	2010	2011	Jul 12	Aug 12	Sep 12	NAV (9/30)
Investor A	0.14	0.17	0.39	0.00	0.00	0.00	12.09
Investor C	0.11	0.12	0.33	0.00	0.00	0.00	12.01
Institutional	0.15	0.20	0.43	0.00	0.00	0.00	12.23

Yield (%)

Standardized 30-day yield as of 9/30/12

	SEC Yield
Investor A	-4.17
Investor C	-5.02
Institutional	-4.03

The fund's 30-Day SEC Yield is adjusted daily based on changes in the rate of inflation, as provided by the Department of Labor schedule that reflects how the monthly Consumer Price Index (CPI) is accrued daily. An exceptionally high 30-Day SEC yield may be attributable to a rise in the inflation rate, which might not be repeated. A low yield or negative yield may be reflected as inflations falls.

Lipper Classification²

Inflation Protected Bond Funds

Morningstar Category

Inflation-Protected Bond

Overall Morningstar Rating™ — Institutional



Rated against 163 Inflation-Protected Bond Funds, as of 9/30/12, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.^{††}

Objective

Seeks to maximize real return, consistent with preservation of real capital and prudent investment management.

Portfolio Statistics

	Fund	Benchmark ³
Inception Date	6/28/04	3/1/97
Number of Holdings	159	28
Size of Fund	\$5.4 B	—
Average Coupon	0.27%	1.53%
Weighted Avg. Life	10.20 yrs	9.28 yrs
Effective Duration	8.08 yrs	8.24 yrs
Dividend Frequency	Monthly	—

Holdings include all equity and fixed income positions including derivatives but excluding cash.

Annual Operating Expenses (% of Assets)

	Total	Net
Investor A	0.99	0.76
Investor C	1.61	1.45
Institutional	0.61	0.43

Expenses stated as of the fund's most recent prospectus. Net operating expenses exclude investment interest expenses, acquired fund fees and certain other fund expenses net of all waivers and reimbursements. Investor A, Investor C and Institutional have contractual waivers with an end date of 2/1/13 terminable upon 90 days notice. Investor A shares have a voluntary waiver terminable at any time without notice.

Lipper and Morningstar Rankings (9/30/12)²

Lipper Rankings					Quartile Rankings			
	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Investor A	79	87	30	—	2	3	1	—
Institutional	55	63	18	—	2	2	1	—
	Out of 178	Out of 140	Out of 125	—				
Morningstar Rankings					Quartile Rankings			
	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Investor A	84	101	34	—	2	3	1	—
Institutional	56	71	20	—	2	2	1	—
	Out of 202	Out of 163	Out of 150	—				

Lipper Category: Inflation Protected Bond Funds. As of 9/30/12 and may not accurately represent the current composition of the portfolio. All share classes of the fund are invested in a common portfolio. Lipper rankings are based on total return excluding sales charges. Data shown represents past performance and is not an indication of future results. Morningstar Category: Inflation-Protected Bond.

Sector Allocation

	(% of Net Assets)		(% of Net Assets)
2014-2016 TIPS	34.2	Cash & Cash Equivalents	1.4
2020-2025 TIPS	22.4	Non-Agency Mortgages	0.4
2026-2032 TIPS	21.0	Commercial Mortgages	0.3
2040-2042 TIPS	11.1	Non-US Obligations	0.3
2017-2019 TIPS	8.9	—	—

Negative weightings may result from the fund's use of leverage through its investments in futures, Treasury rolls, options, swaps, dollar rolls and repurchase agreements. These weightings do not necessarily reflect the amount of leverage in the fund. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase the return of an investment. The use of leverage involves risk, including the potential for higher volatility and greater decline of the fund's net asset value and fluctuations of dividends and other distributions paid by the fund.

Risk Measures (3-year)⁴

	Fund	Benchmark ³
Standard Deviation	4.28%	4.81%
Beta	0.88	1.00
R-Squared	97.99%	—
Sharpe Ratio	1.89	1.85

Credit Quality (% of Net Assets)

Govt	A	BBB	BB & Below
99.0	0.3	0.3	0.4

BlackRock receives credit quality ratings on underlying securities of the fund from the three major reporting agencies – S&P, Moody's and Fitch. The credit quality breakdown is provided by BlackRock by taking the median rating of the three agencies when all three agencies rate a security. BlackRock will use the lower of the two ratings if only two agencies rate a security, and BlackRock will use one rating if that is all that is provided. Securities that are not rated by any of the three agencies are reflected as such in the breakdown. Below investment-grade is represented by a rating of BB and below. BlackRock converts all ratings to the equivalent S&P major rating category for purposes of the category shown. Ratings and portfolio credit quality may change over time. Unrated securities do not necessarily indicate low quality. The fund itself has not been rated by an independent rating agency.

Portfolio Management

Brian Weinstein Martin Hegarty

Important Risks of the Fund: The fund is actively managed and its characteristics will vary. Any holdings shown are for information only and should not be deemed as a recommendation to buy or sell the securities mentioned. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. The two main risks related to fixed income investing are interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in a bonds' market value. Credit risk refers to the possibility that the issuer will not be able to make principal and interest payments. The principal on mortgage- or asset-backed securities normally may be prepaid at any time, which will reduce the yield and market value of those securities. US government obligations are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US government. Investments in non-investment-grade debt securities ("high-yield" or "junk" bonds) may be subject to greater market fluctuations and risk of default or loss of income and principal than securities in higher rating categories. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets or smaller capital markets. If the index measuring inflation falls, the principal value of inflation-indexed bonds will adjust downward; consequently, the interest payable on those securities (calculated with respect to smaller principal amount) will reduce. Any increase in the principal amount of inflation-indexed bonds will be considered taxable ordinary income, even though investors do not receive the principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of US Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. Investing in derivatives entails specific risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus and, if available, the summary prospectus should be read carefully before investing. Unless noted, all information is as of the publication date of this fact sheet.

1 Institutional shares are sold to a limited group of investors, including certain retirement plans and certain investment programs. See prospectus for details. **2** Lipper funds' average returns and rankings are according to Lipper, Inc. Lipper Inflation Protected Bond Funds classification consists of all funds tracked by Lipper that invest primarily in inflation-indexed fixed income securities issued in the United States. Inflation-indexed bonds are fixed income securities structured to provide protection against inflation. The Lipper category average reflects the average total return performance of those funds excluding sales charges. **3** The unmanaged Barclays Global Real: US TIPS Index comprises US Treasury Inflation Linked Indexed securities. **4** Risk statistics, if any, are measured based on Investor A class monthly returns for the 3-year period at quarter-end. These measures of past risk are not complete or, necessarily, representative measures of future risk and cannot predict a fund's performance. Benchmark-related risk measures are calculated in relation to the Barclays Global Real: US TIPS Index. **Standard Deviation** is a statistical measure of the volatility of the fund's returns. The **Sharpe Ratio** uses a fund's standard deviation and its excess return (the difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. **Beta** is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market and a portfolio with a beta less than 1 is less volatile than the market. **R-Squared** reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure also is helpful in assessing how likely it is that beta is statistically significant. **††** For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) BlackRock Inflation Protected Bond Fund was rated against the following numbers of US-domiciled Inflation-Protected Bond funds over the following time periods: 163 in the last 3 years and 150 in the last 5 years. With respect to these Inflation-Protected Bond funds, BlackRock Inflation Protected Bond Fund received a Morningstar Rating of 3 and 4 stars for the 3- and 5-year periods, respectively. Morningstar Rating is for the Institutional share class only; other classes may have different performance characteristics. © 2012 Morningstar, Inc. All rights reserved.

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